

# **EXHIBIT A**



# Shelby County Tennessee

A C Wharton, Jr., Mayor

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BY: .....

## **Request for Proposal** **Shelby County Government** **Purchasing Department**

160 N. Main, Suite 550  
Memphis, TN 38103

*Issued: April 24, 2008*

*Due: May 15, 2008 no later than 5:00 P.M. (Central Standard Time)*

**RFP #08-004-75**

### **Consulting Services** **(Healthcare Programs)**

Shelby County Government is soliciting written proposals, on a competitive basis from qualified professional to provide on-going consultant services for Shelby County Government's health care programs (the "Services"). Information regarding this RFP is located on the County's website at [www.shelbycountyttn.gov](http://www.shelbycountyttn.gov). Go to "Purchasing Bids" under Online Services on the home page to locate the above-described RFP.

The proposal, as submitted, should include all rates and information related to the services requested by the RFP specifications. If selected, your proposal will be the basis for negotiating a contract with Shelby County Government.

Your proposal must be received in the office of the Deputy Administrator of Purchasing **no later than 3:00 p.m. on Thursday, May 15, 2008.** Proposals should be addressed to:

**Celeste S. Walker, Deputy Administrator**  
Shelby County Government  
160 N. Main, Rm. 550  
Memphis, TN 38103

The package containing an original copy (clearly identified as original) and six (6) copies of your proposal must be sealed and marked with the Proposer's name and "CONFIDENTIAL, "CONSULTING SERVICES – HEALTHCARE PROGRAMS" RFP #08-004-75" noted on the outside.

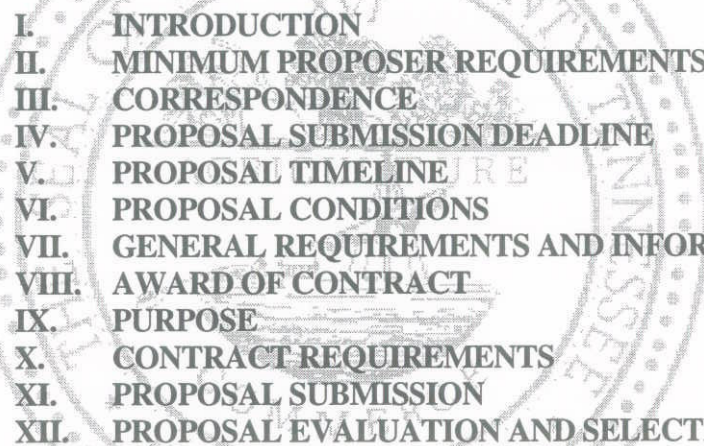
Sincerely,



Celeste S. Walker, Deputy Administrator  
Purchasing Department Shelby County Government

cc: Jim Martin  
Brenda Greene

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The seal of Shelby County, Tennessee, is a circular emblem. It features a central shield with a plow and a sheaf of wheat. The words "SHELBY COUNTY" are arched across the top, and "TENNESSEE" is arched across the bottom. The date "NOVEMBER 24, 1819" is inscribed at the very bottom. The seal is surrounded by a decorative border of small dots.

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*Note: Please make sure you pay close attention to Sections: I-V, IX & XI. These sections will clearly outline what information is required to properly respond and prepare your RFP response.*



## I. INTRODUCTION

Shelby County Government's Employee Benefits department is committed to providing competitive benefits and quality service to all County employees. Efforts to maintain quality benefits at reasonable costs are ongoing and will continue to be a primary concern of Shelby County Government. To help ensure those efforts, the Benefits department would like to utilize innovative resources by soliciting the services of Industry experts to provide consulting services for future healthcare needs. Shelby County Government currently has approximately 6,000 active employees and 1,945 retirees in its healthcare plan. This represents approximately 12,000 lives. This Request for Proposal ("RFP") is being released to invite interested and qualified Consultants to prepare and submit proposals in accordance with instructions provided where one successful candidate will be selected and invited to enter into a contractual relationship with Shelby County for the Services outlined in this RFP. In this RFP, the terms Proposer and Consultant are used interchangeably unless the context indicated otherwise.

## II. MINIMUM PROPOSER REQUIREMENT

All Proposers must:

1. Have at least 10 years experience in employee health benefit consulting, particularly with respect to a large employer operated health plan. (\$50,000,000). Preferably some governmental agency experience.
2. Have all appropriate licenses and certifications required by appropriate government agencies to perform the specified services.
3. Have sufficient personnel or sub-consultants available to perform any requested services in a timely basis.
4. Possess sufficient experience in drafting proposals.
5. Have a web-enable application database for proposal analysis and evaluation.
6. Apply and qualify for an Equal Opportunity Compliance (EOC) certification number through our EOC Administration (*see the details outlined in section VII General Requirement/e. Selection Criteria*)
7. Adhere to all Title VI requirements and provide proof/documentation if necessary.

8. **MUST NOT** facilitate in the preparation of a Request for Proposal (RFP) for the requested services that would allow an affiliate of the Proposer to respond to the RFP. An affiliate is defined as an individual and/or entity, where a business relationship has been established between the Proposer and the company such that a monetary exchange or other thing of value has been given to the Proposer by the individual or entity. This business relationship extends to members of the household of the Proposer. The affiliation includes all current business relationships as well as those that have occurred with the preceding year.

The individual and/or entity refers to person(s) who have submitted a bid to be evaluated by the Proposer, any Shelby County department and/or the Purchasing Department.

*Please Note: As a part of doing business with Shelby County, each individual, company or organization is required to obtain a vendor number and an "Equal Opportunity Compliance" certification number. The vendor # is obtained through the Purchasing Department and the EOC certification is obtained through the Shelby County EOC Administration. . If you have any questions regarding the vendor # please call the Purchasing Department @ 901-545-4360 or download the Bidder's List Application & the W-9 at [http://www.shelbycountyttn.gov/FirstPortal/dotShowDoc/dotContent/Government/CountyServices/AdminandFinance/bidder\\_app.pdf](http://www.shelbycountyttn.gov/FirstPortal/dotShowDoc/dotContent/Government/CountyServices/AdminandFinance/bidder_app.pdf) and <http://www.shelbycountyttn.gov/FirstPortal/dotShowDoc/dotContent/Government/CountyServices/AdminandFinance/fw9.pdf>*

*If you have any questions regarding the EOC qualification, please call 901-545-4336 or download the document at [http://www.shelbycountyttn.gov/FirstPortal/dotShowDoc/Government/CountyServices/AdminandFinance/eoc\\_contract\\_comply\\_v2.pdf](http://www.shelbycountyttn.gov/FirstPortal/dotShowDoc/Government/CountyServices/AdminandFinance/eoc_contract_comply_v2.pdf)*

***\*\*You may respond to this solicitation if you have at least applied for a vendor # and the certification. Please include a copy of the applications that you submitted with your proposal response.***

### III. CORRESPONDENCE

All correspondence, proposals and questions concerning the RFP are to be submitted to:

Celeste S. Walker, Deputy Administrator  
Shelby County Government  
160 N. Main St. Suite 550  
Memphis, TN 38103



Respondents requesting additional information or clarification are to contact Ms. Celeste S. Walker in writing at [celeste.walker@shelbycountyttn.gov](mailto:celeste.walker@shelbycountyttn.gov) or at the address listed above. Questions should reference the section of the RFP to which the question pertains and all contact information for the person submitting the questions. ***IN ORDER TO PREVENT AN UNFAIR ADVANTAGE TO ANY RESPONDENT, VERBAL QUESTIONS WILL NOT BE ANSWERED. The deadline for submitting questions will be May 5, 2008 by 12:00 p.m. (CST).*** These guidelines for communication have been established to ensure a fair and equitable process for all respondents.

Please be aware that contact with any other personnel (other than the person clearly identified in this document) within Shelby County regarding this RFP may disqualify your company from further consideration.

#### **IV. PROPOSAL SUBMISSION & DEADLINE**

All proposals must be received at the address listed above no later than **May 15, 2008 @ 3:00 p.m. (CST)**. Facsimile or e-mailed proposals will not be accepted since they do not contain original signatures. Postmarks will not be accepted in lieu of actual receipt. Late or incomplete proposals may not be opened and considered. Under no circumstances, regardless of weather conditions, transportation delays, or any other circumstance, will this deadline be extended.

#### **V. PROPOSAL TIMELINE**

Shelby County reserves the right to modify this timeline at any time. If the due date for proposals is changed, all prospective Proposers shall be notified.

Request for Proposals Released  
Proposal Due Date  
Notification of Award  
Services to Commence

Thursday, April 24, 2008  
Monday, May 15, 2008 by 3:00 p.m. (CST)  
June 2008  
July 1, 2008 or immediately upon execution of contract

The County may reproduce any of the Proposer's proposal and supporting documents for internal use or for any other purpose required by law.

#### **VI. PROPOSAL CONDITIONS**

##### **a. Contingencies**

This RFP does not commit the County to award a contract. The County reserves the right to accept or reject any or all proposals if the County determines it is in the best interest of the

County to do so. The County will notify all Proposers, in writing, if the County rejects all proposals.

**b. Modifications**

The County reserves the right to issue addenda or amendments to this RFP.

**c. Proposal Submission**

To be considered, all proposals must be submitted in the manner set forth in this RFP. It is the Proposer's responsibility to ensure that its proposals arrive on or before the specified time.

**d. Incurred Costs**

This RFP does not commit the County to pay any costs incurred in the preparation of a proposal in response to this RFP and Proposers agree that all costs incurred in developing this RFP are the Proposer's responsibility.

**e. Final Authority**

The final authority to award a contract rests solely with the Shelby County Purchasing Department.

**f. Proposal Validity**

Proposals submitted hereunder will be firm for at least one hundred twenty (120) calendar days from the due date unless otherwise qualified.

**g. LOSB**

The County encourages the utilization of locally-owned small businesses as sources of subcontract work. The County notifies all respondents that all firms and/or individuals shall comply with the regulations relative to nondiscrimination in federally assisted programs of the Title VI of the Civil Rights Act of 1964, as amended.



**LOCALLY OWNED SMALL BUSINESS PURCHASING PROGRAM RULES AND  
REGULATIONS:**

(i) The Administrator of Purchasing in conjunction with the Administrator of EOC shall identify certain goods and services required by the County to be set aside for special purchasing procedures for locally owned small businesses.

(ii) Only certified locally owned small businesses will be allowed to submit competitive bids on the goods or services identified under paragraph (i) above.

(iii) The Administrator of Purchasing shall, in conjunction with the Administrator of EOC, annually review the Shelby County Capital Improvement Program to determine those projects with a construction cost of \$250,000 or more. Contracts amounting to at least ten (10%) of the construction costs of such project shall be awarded to locally owned small businesses as defined herein, except as set forth in sub-paragraph (vi) of this section, either as part of the conditions of the solicitation for general contractors bidding on these projects, or as separate bids issued by the County for subcontracts that may be assigned to general contractors.

(iv) After adhering to all other bidding and purchasing requirements of the County, not inconsistent with this part, if no bids are received from locally owned small businesses, then the County may solicit bids for the goods or services from all other sources.

(v) On all purchases and/or contracts entered into by the County, the Purchasing Administrator or his or her designee shall have the right to negotiate with any supplier of goods or services to the County for the inclusion of locally owned small business subcontractors and/or suppliers in the contract award.

(vi) Failure by a supplier or contractor to include locally owned small business sub-contractors or suppliers in its bid or contract may be grounds for rejection of said bid or contract unless the supplier or contractor can show documented evidence of good cause why none were included.

(vii) Any locally owned small business awarded a contract or purchase order under this section shall not sublet, subcontract or assign any work or services awarded to it without the prior written consent of the Mayor or the Purchasing Administrator.

(viii) As to those purchases below the requirement for a formal bid solicitation (currently, under \$15,000) and not included in the locally owned small business set aside, the Administrator of Purchasing shall determine if any

locally owned small business offers that product or service. If so, at least one such eligible locally owned small business should be included in the vendors contacted for an opportunity to bid, and the Administrator of Purchasing may, at his discretion, designate in a purchase order the purchase of such goods and services from the identified locally owned small business.

(ix) In those situations where a locally owned small business as defined herein, engages in open competitive bidding for County contracts, the Administrator of Purchasing shall provide for a preference for the locally owned small business where responsibility and quality are equal. Said preferences shall not exceed five percent (5%) of the lowest possible bidder meeting specifications. The preference shall be applied on a sliding scale in the following manner:

- a. A preference of up to five percent (5%) shall be allowed for contracts up to \$500,000.00;
- b. A preference of up to three and five-tenths percent (3.5%) shall be allowed for contracts up to \$750,000.00;
- c. A preference of two and one-half percent (2.5%) shall be allowed for contracts up to \$1,000,000.00;
- d. A preference of two percent (2%) shall be allowed for contracts that exceed \$1,000,000.00.

(x) For construction contracts over \$2,000,000.00, the Administrator of Purchasing shall provide for a preference of two percent (2%) to general contractors meeting the requirements of Section 1, Subparagraph B, if fifty percent (50%) or more of the total work comprising the bid has been or will be awarded to certified locally owned small businesses. The fifty percent subcontracting threshold must be met prior to contract execution.

(xi) The Administrator of Purchasing may divide a single bid package for any purchase of goods and services into two or more smaller bid packages in any case that the Administrator of Purchasing reasonably believes that the smaller bid packages will result in a greater number of bids by locally owned small businesses.

(xii) The Administrator of Purchasing, upon approval of the County Mayor, may establish special insurance and bonding requirements for certified locally owned small businesses so long as they are not in conflict with the laws of the State of Tennessee.

(xiii) The Administrator of Purchasing, with the approval of the County Mayor, shall adopt and promulgate, and may from time to time, amend rules



and regulations not inconsistent with the provisions of this ordinance, governing the purchase of goods and services from locally owned small business concerns to effectuate and implement the Locally Owned Small Business Purchasing Program within the intent of this ordinance.

(xiv) The Administrator of EOC shall, in conjunction with the Administrator of Purchasing, provide a written quarterly report to the Mayor and Board of Commissioners which shall include a summary of the purchases selected for this program, a listing of the contracts awarded to locally owned small businesses for the period, and the dollar amounts of each such contract, and the percentage which such contracts bear to the total amount of purchases for the period.

#### **h. Living Wage**

Shelby County Government Ordinance # 328 "Living Wages" is hereby incorporated into this Request for Proposal and any resulting contract. Please make sure that you review and apply the requirements of the ordinance to your proposal response. Failure to do so will result in disqualification from the review and award process. You may view and print the ordinance as a separate attachment for this RFP (*please do not forget to download ALL the additional attachments*).

### **VII. GENERAL REQUIREMENTS**

#### **a. Background**

Employee Benefits oversees the administration of all medical, dental, life, disability as well as voluntary benefits programs for Shelby County Government. Currently it is responsible for two health plans CIGNA POS (Point of Service) and CIGNA Healthcare PPO (Preferred Provider Organization) serving approximately 6,000 active employees, retirees and municipalities employees. For most employees, these benefits are valued as much as 40% of their base salary. Effective July 1, 2008, the County will offer a HMO In Network Plan, a HRA High Deductible Plan and a PPO program. The prescriptions are carved out using a Pharmacy Benefit Manager (PBM). The Point of Service (POS) program currently has approximately 5,000 active employees and 310 retirees under 65 years of age. The Preferred Provider Program (PPO) has approximately 550 active employees, and 440 retired employees under 65. There are approximately 1,150 retirees over 65 enrolled in a Medicare supplement plan.

A number of benefits and benefit options are offered to employees through Shelby County's Flexible Benefit Plan, which allows the employee contribution to be paid with pre-tax earnings. Under this program, changes in benefit plans may be made only once a year during an annual open enrollment period, unless there is a change in family status as specified in the Plan's guidelines.